



*The Commonwealth of Massachusetts
Executive Office of Health and Human Services
Division of Health Care Finance and Policy
Two Boylston Street
Boston, MA 02116*

DEVAL L. PATRICK
Governor

TIMOTHY P. MURRAY
Lieutenant Governor

617-988-3100 • Fax 617-727-7662 • TTY 617-988-3175
www.mass.gov/dhcfp

JUDYANN BIGBY, M.D.
Secretary

SARAH ISELIN
Commissioner

ADMINISTRATIVE BULLETIN 08-10

**114.1 CMR 41.00: Rates of Payment for Services Provided to
Industrial Accident Patients by Hospitals
September 18, 2008**

Application of the Payment on Account Factor (PAF) to Hospital Charges

The Division of Health Care Finance and Policy ("Division"), under the authority of 114.1 CMR 41.01(7), is issuing this bulletin to clarify an issue regarding the application of the payment on account factor (PAF) to hospital charges.

The Division's regulation, 114.1 CMR 41.03(1)(a), defines the appropriate payment to hospitals for services payable under the regulation as follows: "Payment for any eligible inpatient service, and outpatient or observation stay as defined in 114.1 CMR 4.04(2) provided to an industrial accident patient by an acute hospital shall be equal to the product of the industrial accident PAF and the published charge for the service."

Payers, therefore, must apply the PAF to all billed charges unless:

- A charge is not medically necessary;
- The payer and the hospital have negotiated a different rate, pursuant to M.G.L. c. 152, §13;
or
- The charge is not consistent with the charge filed with the Division.